[Rao Bahadur A. Rengaswami Aiyar.]

ASSETS AND LIABILITIES.

58. I furnish on pages 11 and 12 of the budget estimates the usual statement of assets and liabilities. The Government balance at the end of the next year is estimated to amount to Rs 115·62 lakhs including the General Reserve Fund of Rs 60·55 lakhs and the Sinking Fund Reserve of Rs 14·75 lakhs. This includes, however, the sum of Rs 146·60 lakhs representing the estimated expenditure on remunerative schemes shown under "Debt Heads" to the end of the year 1113, so that the current balance of Government is expected to be overdrawn at the end of the next year by Rs 30·98 lakhs. This will not be surprising, if we consider the fact that in recent years we have financed capital expenditure on productive and non-productive schemes amounting to about three crores of rupees, *Vide* details below :—

		In lakhs of rupees.
Water Supply (Trivandrum and Mofussil)	...	80
Drainage	...	15
Electric Schemes	...	132
Railway, Chackai-Thampanoor	...	28
Army	...	12
Miscellaneous	...	33
Total	...	300

On the other hand, it is remarkable that our finances have successfully withstood the heavy strain to which they have been subjected. During the current year the debts due to the Palace, shown hitherto in the Savings Bank Accounts, have been funded. Our funded debt outstanding at the end of the year 1113 is estimated to stand at Rs 110·89 lakhs and this sum together with the above estimated overdraft of Rs 30·98 lakhs will be much more than covered by the value of our remunerative assets. We have also provided for the write off of bad debts amounting to Rs 4·13 lakhs, in the estimates under review. Our debt position may be regarded as satisfactory.

59. In this connection, I am glad to announce that as a result of the able representation made by our esteemed Dewan, the Government of India have, with reference to clause (a) (iii) in Part I of Schedule I of the Imperial Bank of India Act, 1920 as amended by Act III of 1934, recently sanctioned the inclusion of

LIBRARY ARCHIVES Kerala Legislative Assembly

the 5 per cent. Debenture loan 1941, and the $3\frac{1}{2}$ per cent. Loan, 1956 issued by this Government among the securities which the Imperial Bank of India is authorised to recognise for the purposes of advancing and lending money and opening cash credits. The Imperial Bank of India will now advance money and open cash credits upon the security of the Travancore Government Pro-Notes above referred to in the same way and to the same extent as to the holders of Government of India Securities. I believe that this is a privilege granted only to one or two other Indian States. It is needless to state that this recognition by the Paramount Power testifies to the strong position held by the State in the money market and in the financial sphere.

LIBRARY ARCHIVES Kerala Legislative Assembly

COMMITMENTS.

60. I give below our probable commitments in regard to capital expenditure on the more important schemes now in progress, for 1114 and succeeding years in so far as they can be estimated at present :—

		Rs.	
Drainage Works, Trivandrum	...	31	Lakhs.
Water Supply Schemes to the Municipal Towns of Alleppey, Shencottah and Nagercoil	...	11	,,
Pallivasal Hydro-Electric Scheme	..	20	,,
Loans to Cochin Harbour for the fourth stage works	...	8	,,
Total	...	70	,,

Out of the expenditure incurred on the above schemes, a sum of about Rs 53 lakhs will be repaid by equated instalments (Rs 15 lakhs by the Mofussil Municipalities and Rs 38 lakhs by the Cochin Harbour authorities). Out of the loans for the Cochin Harbour, about Rs 6 2/3 lakhs advanced for the purchase of the Dredger is expected to be repaid in 20 equal annual instalments with interest at the rate of 4 per cent. The remainder will be free of interest for the first ten years and thereafter will be repaid in 30 equated annual instalments with interest at 5 per cent. per annum. Government have, however, to arrange for the necessary funds in the first instance for the above.